(As on 31.3.1990)

Name of Mills	*Sales Value of production (Rs. lakhs)*	*Net Profit/ Loss (Rs. lakh)*
Srivilliputtur Coop. Spg. Mill	756.65	7.24
Thanjavour Coop. Spg. Mill	767.71	22.24
Tiruchendur Coop. Spg. Mill	920.57	75.09
Tiruchirapalli Coop. Spg. Mill	973.86	54.76

Note : (-) Indicates Loss.

[*Translation*]

Alleged Irregularities in State Bank of Bikaner and Jaipur

858. SHRI PIUS TIRKEY:
SHRI VISWANATH SHASTRI:
SHRI J. CHOKKA RAO:
SHRI SANTOSH KUMAR GANGWAR:
SHRI BARE LAL JATAV:

Will the Minister of FINANCE be pleased to state:

(a) whether cases of alleged irregularities/frauds worth crores of rupees have been detected in the State Bank of Bikaner and Jaipur during each of the last three years and upto 31 December, 1991;

(b) if so, the details in this regard, branch-wise;

(c) whether some employees of the bank were also involved in these cases;

(d) if so, the details thereof, branch-wise;

(e) whether the Government have taken any action against the guilty persons;

(f) if so, the details in this regard, branch-wise and if not, the reasons therefor; and

(g) the effective measures taken or proposed to be taken by the Government to prevent such irregularities/frauds in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b). Yes, Sir. Reserve Bank of India (RBI) has reported that in November, 1989 Bombay (Fort D.N. Road) branch of State bank of Bikaner & Jaipur reported a fraud involving Rs. 168.59 lakhs. One company allegedly committed fraud by diversion of funds to other units, withdrawal of funds by opening of accounts with other banks, shortage/removal of goods under hypothecation to the bank and letting out premises that was mortgaged to the bank. The present outstanding is Rs. 145.07 lakhs. Another fraud was reported by the bank in December, 1991 at its Bombay (Zavery Bazar) branch involving Rs. 554. 16 lakhs in the accounts of eleven firms. The fraud has occurred due to kite flying of cheques and overstepping of discretionary powers by th officials of the bank. The bank has, disowned the liability under the L/Cs to the tune of Rs. 325.00

lakhs. Bank has also taken steps to recover its dues.

(c) to (f). In the first case at D.N. Road Branch, CBI has not found involvement of bank staff. In the second case at Zavery Bazar branch, three officers have been suspended. A complaint with CBI has also been lodged.

(g) Government, RBI and banks take steps from time to time for prevention and prompt detection of frauds. Some of these steps are as follows:

(i) Strengthening of control mechanism by banks through inspections, audits and periodic returns;

(ii) The clearing of arrears in balancing of books and reconciliation of inter-branch account on a continuous basis;

(iii) Appointment of Chief Vigilance Officers in the nationalised banks on deputation from other banks;

(iv) Creation of Special Investigation Cell in RBI for investigation and scrutiny into major frauds;

(v) Circulation of Caution Notices by RBI to Chief Executives of banks on important cases of frauds;

(vi) proper training of operational personnel;

(vii) Concerted action by banks to implement anti-corruption measures; and

(viii) Review of vigilance cases by a Committee of Directors and Board of Directors of banks.

[*English*]

Aid to States for better Roads

859. SHRI CHETAN P.S. CHAUHAN:
SHRI BHAGWAN SHANKAR RAWAT:
SHRIMATI MAHENDRA KUMARI:

Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Government propose to give more aid to the State Governments for better roads as reported in the Economic Times dated December 30, 1991;

(b) if so, the details thereof; and

(c) the time by which the proposal is likely to be implemented?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) to (c). Yes, Sir. The Parliament had adopted a Revised Resolution about the Central Road Fund on 13.5.88, in terms of increasing the cess on petrol and bringing diesel within its purview, under which the State Govts. would get additional funds for road development. However, actual augmentation of the Fund has not yet taken place. As such, it is too early to say when the proposal will be implemented.

Income-Tax Refund

860. SHRIMATI RITA VERMA:
SHRI BHAGEY GOBARDHAN:
SHRI SUSHIL CHANDRA VERMA:

Will the Minister of FINANCE be pleased to state: